

Message Text

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ACTION COME-00

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

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FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 5439

AMEMBASSY TOKYO

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EO 11652: N/A

TAGS: ETRD KS

SUBJ: AGENDA AND ISSUES FOR THE EIGHTH COMMERCE MINISTERS MEETING

REF: A) STATE 159542; B) SEOUL A139,

1. ALTHOUGH RESPONSIBLE MINISTRY OF COMMERCE AND INDUSTRY (MCI) OFFICIALS AS YET HAVE BEEN UNABLE TO FOCUS CONCENTRATED ATTENTION ON AGENDA ITEMS FOR THE EIGHTY COMMERCE MINISTERS MEETING, EMBASSY BELIEVES THAT AGENDA PROPOSED REFTEL A IS GENERALLY SUITABLE, SUBJECT TO A NUMBER OF ADJUSTMENTS FOR DEVELOPMENTS SINCE THE SEVENTH MINISTERIAL.

2. WITH REGARD TO AGENDA ITEM 1B, KOREA'S ACTIONS AFFECTING US IMPORTS AND EXPORTS, DEPARTMENT SHOULD BY NOW HAVE RECEIVED SECOND REFAIR, ENTITLED "AN ANALYSIS OF KOREA'S TARIFF REFORM AND ITS IMPLICATIONS FOR IMPORTS FROM THE US," WHICH IS AN EXHAUSTIVE STUDY CONTAINING FULL ANALYSIS AND DISCUSSION OF A MAJOR ELEMENT IN US/ROK TRADE RELATIONS. WE BELIEVE IT IMPERATIVE THAT DEPT OFFS REFER TO IT IN PREPARING
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BRIEFING BOOKS. IT COVERS NOT ONLY THE FACTS BUT ALSO THE PHILOSOPHY BEHIND THE TARIFF REFORM.

3. UNCLAS SEOUL TELS 4971 AND 5653 COMPLEMENT SUB-PARA B OF SEOULS 4941 IN REPORTING RECENT LIBERALIZATION STEPS IN KOREA'S SECOND HALF 1977 TRADE PLAN. NO RELAXATIONS HAVE BEEN MADE OR ARE LIKELY TO BE CONSIDERED FOR CONSUMER GOODS DURING THE COURSE OF

THE CURRENT FIVE YEAR PLAN IN VIEW OF THE FACT THAT THEY ARE "LUXURY" ITEMS. ROKG WOULD FIND IT POLITICALLY INDEFENSIBLE EVEN TO CONSIDER SCHEDULING LIBERALIZATION OF PERSONAL CARE, HOUSEWARE, SPORTING OR RECREATIONAL GOODS AND GIFT ITEMS UNTIL CURRENT PLAN GOALS FOR KOREA'S DEVELOPMENT, SOCIAL WELFARE AND DEFENSE REQUIREMENTS HAVE BEEN MET. US PRESSURE FOR RELAXATION WOULD NEVERTHELESS BE APPROPRIATE FOR CONSUMER GOODS WHICH ARE NOT SOLEY FOR LUXURIOUS USE BY THE WEALTHY. ROKG MAINTAINS AN EXTENSIVE RANGE OF SUMPTUARY LAWS AND REGULATIONS COVERING SUCH ACTIVITIES AS RESIDENTIAL CONSTRUCTION, WEDDINGS, AND EVEN FUNERALS. THEREFORE TO ENCOURAGE ROKG RELAXATION ON SUCH SPECIFIC "LUXURY" CONSUMER GOODS WOULD APPEAR INCONGRUOUS TO KOREANS.

4. BUSINESS TRAVEL RESTRICTIONS HAVE BEEN SIGNIFICANTLY EASED SINCE JANUARY 20 TO THE POINT THAT TOPIC WOULD BE INAPPROPRIATE FOR THE MINISTERIAL. THE ROKG HAS RECENTLY DISPATCHED HIGH LEVEL PURCHASING MISSION UNDER MINISTER CHANG TO THE US (SEE SEOUL'S 2146), AND CURRENT FOREX AUTHORIZATIONS FOR OVERSEAS BUSINESS TRAVELLERS PERMIT A BASIS RATE OF \$3,000. FOR A 60 DAY TRIP EXCLUDING TRANSPORTATION COSTS. ADDITIONALLY, THEY WOULD BE PERMITTED A PER DIEM RATE OF \$200. IN THE MIDDLE EAST AND \$150. ELSEWHERE WHERE TRAVEL EXCEEDS 10 AYS. THERE ALSO ADDITIONAL FOREX ALLOWANCES FOREXPENSES RELATED TO NEGOTIATIONS OR DATA COLLECTION AND FURTHER EXCEPTIONS MAY BE GRANTED UPON APPLICATION TO THE BANK OF KOREA. IN GENERAL, ROKG DOES NOT IDENTIFY ITSELF WITH LDC LIMITED OFFICIAL USE

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POSITIONS ON INTERNATIONAL ECONOMIC ISSUES AND PREFERS TO MAINTAIN A NEUTRAL POSITION ON MOST IN ORDER NOT TO OFFEND THIRD WORLD SENSIBILITIES. INCLUSION OF COMMODITIES ISSUES (BUFFER STOCKS, COMMON FUND, ETC.) WOULD NOT BE APPROPRIATE UNLESS TO EXPLAIN OUR POSITONS. ENERGY MATTERS AND ACCESS TO RESOURCES, ON THE OTHER HAND, ARE OF VITAL INTEREST TO THE ROK

6. ENTRY OF US INSURANCE COMPANIES, KOREA GREYHOUND BUS PARTS IMPORTATION, AND AMERICAN MOTION PICTUE ASSOCIATION PROBLEMS IN EXPORTING US MOTION PICTURES TO KOREA WERE TOPICS AT THE SEVENTH MINISTERIAL WHICH HAVE BEEN SATISFACTORILY RESOLVED (SEE SEOUL'S 3233 AND 5255). REAFFIRMATION OF JOINT COMMUNIQUE STATEMENT ON MOPIX THEREFORE NOT WARRANTED

7. PATENT QUESTION IS A CONTINUING ISSUE (SEE STATE 158824).

8. WE WXPECT ROKG TO WISH TO RETAIN REFERENCE TO FISHERIES MATTERS EVEN IN ABBREVIATED FORM BECAUSE OF THE EXTAORDINARY IMPORTANCE TO KOREA OF THAT SECTOR OF THE SECRETARY'S RESPONSIBILITY.

9. SECRETARIAL BRIEFINGS SHOULD INCLUDE STATE, AGRICULTURE,
STR EXIMBANK, OPIC, AND OTHER AGENCY INPUTS WHICH ARE FUNDAMENTAL
TO OVERALL US/ROK TRADE AND ECONOMIC RELATIONS

10 EMBASSY RECOMMENDATIONS ON ADMINISTRATIVE AND PUBLIC AFFAIRS
MATTERS WILL BE REPORTED IN SEPTELS.
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Message Attributes

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